

Benchmark Responsible Supply Chain Management 2010





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Chapter 1 Summary

In the fall of 2010, the Dutch Association of Investors for Sustainable Development (VBDO) carried out the Responsible Supply Chain Management Benchmark for the fifth time. This report is based on the results of that comparative investigation.

This benchmark has been developed by the VBDO in order to assess the way in which Dutch publicly listed companies involve suppliers in their sustainability policies. Rather than concentrate on the nature of a company's activities, this benchmark focuses on company policy and the implementation thereof. This makes it possible to compare, to a certain degree, the responsible supply chain policies of companies across different sectors.

The benchmark comprises a list of 28 indicators, in which companies can accumulate anywhere between 0 and 57 points. In conducting the research, VBDO has made use of information made publicly available by the companies themselves. This information includes sustainability reports, annual reports and websites.

The investigated group of companies comprises 40 large Dutch publicly listed companies from the AEX, AMX and Small cap indices. All companies share the fact that the purchase of goods and services (according to expectations) constitutes a large part of their total operational costs. Service providers, such as financial institutions, ICT companies and recruitment and selection companies are not included in the research.

This investigation into responsible supply chain management was first introduced in February 2006. To maintain internal consistency, the investigation was conducted again in 2007 using the same methodology. In 2008, the methodology was revised. This year, we critically evaluated the methodology again and revised the benchmark, incorporating additional criteria and shifting the balance from overall CSR policy to the implementation and impact of responsible supply chain management policies.

During the research process, a group of seven companies distinguished themselves from the other companies. Like last year, an independent jury chooses the final winner of the VBDO Responsible Supply Chain Management Award. The winner, however, is not necessarily the company with the highest score. The nominees in alphabetical order for the year 2010 are Ahold, AkzoNobel, ASML, DSM, Philips, Reed Elsevier and Unilever. The winner will be announced on December 2, 2010, prior to the International Supply Chain Congress organised by NEVI (the knowledge network for purchasing and supply management), Alfa Delta Compendium, AkzoNobel, Rabobank and IDH (Sustainable Trade Initiative).

The average score in this year's benchmark is 20 points, or 35%. This is higher than the average score last year. The higher score is partly due to the fact that frontrunners are being increasingly aware of the importance of responsible supply chain management and the fact that their company strategy is adjusted accordingly. Also, the transparency of reporting on responsible supply chain management and activities has improved for most companies. Some companies, however, have changed their level of reporting and therefore have lower scores. Even though performance keeps improving, many companies still need to take further steps. VBDO will continue to emphasize responsible supply chain management during engagement activities with all the companies included in this report.

This research, report and the Responsible Supply Chain Management Award have been made possible with financial support from ICCO.

Chapter 2 Organisations' Objective

In 2010, the VBDO (Association of Investors for Sustainable Development) celebrates its 15th anniversary. Throughout the years, the organisation has worked towards a more sustainable capital market. In our view this means that all actors take financial and non-financial aspects into account in their decision-making processes. On the one hand we focus on activities that challenge actors on the capital market to develop new sustainable initiatives. On the other hand we indicate what desirable and undesirable developments are.

One of our most important activities used to realise our goal is to represent investors of publicly listed companies. By taking the investor perspective, the VBDO aims at triggering companies to align their strategies with sustainable developments. An important tool is active engagement, for example, by being present and asking questions at Annual General Meetings of Shareholders of publicly listed companies. At these AGMs we ask Boards of Directors and Supervisors directly to take responsibility for their policies and actions.

The engagement activities are based on the different research reports authored by the VBDO. These research reports are done for and in cooperation with different organisations (NGOs or government bodies) and are aimed both at the demand side (listed companies) as well as on the supply side (investors) of the capital market. On top of that, the VBDO organizes different seminars on sustainable investment and corporate social responsibility.

Chapter 3 Vision on Corporate Responsibility

At the centre of its philosophy lies the VBDO's point of view that companies derive their *raison d'être* from their capacity to create value for their stakeholders.

Creating value has a different meaning to each stakeholder. To an employee value, amongst others, represents good primary and secondary elements of remuneration and job fulfilment. To a shareholder it often involves a good return on investment. To the surroundings of a factory, environmental care represents value.

It is the VBDO's conviction that a company's owner, its shareholder, will obtain the best long-term return on investment when a company aims its strategy at the long-term creation of value for its stakeholders. Or, to quote the report 'From Challenge to Opportunity' by the World Business Council for Sustainable Development (WBCSD): 'We see shareholder value as a measure of how successfully we deliver value to society, rather than as an end in itself'. Making a profit is a result of good company policy, not a sole objective in and of itself.

This notion seems obvious. Still, the VBDO regards the focus mainly on the financial economic dimension as one of the primary problems with which the present worldwide economy is faced. This focus is strongly encouraged by the mainstream financial world. The mainstream financial world still readily discards environmental and socio-economic aspects, whereas VBDO is convinced that these aspects, also from a business point of view, should be integrally considered in investment decisions.

The VBDO considers it its task to put this more balanced point of view on the agenda, both on the supply and demand side of capital markets. A company should be transparent in demonstrating its multi-dimensional (People, Planet and Profit) strategy. Moreover, its strategy should be aligned with the interests of all company stakeholders. Those companies that best succeed in achieving this will continue to prosper in the long run. These are certainly not the only preconditions for responsible investors, but certainly highly important ones.

Corporate Responsibility (CR) was until recently primarily focused on risk and reputation management. In other words, preventing the loss of value. Although this approach towards sustainability is and remains important, it actually stands further away from a company's true reason of existence, which is the creation of value. The approach towards sustainability from a risk and reputation management point of view can even be regarded as one of the primary reasons for the misconception that sustainability and profit cannot go hand in hand. This approach considers sustainability as additional to the operational processes rather than an integral part. A company needs to see sustainability as a means of creating value. Only then will it integrally incorporate sustainability into its strategy and operational processes. Therefore, the integration of sustainability into strategic decision-making and operational processes is a prerequisite for the long-term creation of value.

Chapter 4 Responsible Supply Chain Management

Responsible supply chain management is a concept that has been constructed from a socioeconomic context. A company should operate 'responsibly' and manage its supply chain accordingly. However, if one were to raise the question within a company as to what '(Responsible) Supply Chain Management' actually involves, the answer would no doubt lean towards preventing or minimizing risks. Besides risks, issues such as optimum efficiency and minimizing costs for the sake of the long-term increase in cash flow might be mentioned. There is, in other words, a discrepancy in the perception of 'responsible supply chain management'.

These differences in perception can be regarded as the difference between feeling responsible and being responsible. As far as companies are concerned, only the latter can be applied. There are, however, certain limitations to responsibility. It is subject to (international) normative standards, limited to a legal entity or person and its power to influence. Standards provide the (lower) limit of what is considered to be 'responsible'. This minimum standard is of considerable importance, because it provides a framework of consensus within which there is room for companies to act and operate. It does, however, remain a minimum standard.

The inflexible nature of a normative framework has its limitations when it comes to responsible supply chain management. From a legal perspective it is very difficult, if not impossible, to appeal to a company's responsibility for anything that lies beyond its own actions. Any attempt by another party to do so is in fact an appeal to a company's moral involvement. The main reason why companies embrace responsible supply chain management nonetheless has everything to do with risk and reputation, which is again related to the prevention of the loss of value or continuity and therefore is not only of moral but also of business interest.

A normative framework is crucial, but it also has its limitations. A normative framework is inflexible, provides a minimum standard and is restricted to a legal entity or person. It has limited use for external parties to request companies to change behaviour. It also has a very limited potential in managing supply chains responsibly.

The benchmark methodology incorporates a common denominator for a company and its stakeholders: the previously mentioned value creation. This includes both value creation and the prevention of value destruction.

Recently, more stakeholders have started to question the execution of responsible supply chain management policies. Incidents keep occurring where actions and policies are not aligned. Therefore VBDO expanded its focus to also include impact indicators. Responsible supply chain management is not just about implementing policies but also aligning actions with the policies.

Chapter 5 Method

5.1. The benchmark methodology

Benchmarks have been used by the VBDO for years in evaluating the performance of companies and investors. Examples are the Transparency Benchmark and the Pension Fund Benchmark. The Transparency Benchmark clearly had a stimulating effect in the past years. Both the quantity and quality of sustainability reports increased considerably as a result. Companies and (institutional) investors often acknowledge the VBDO's influence on this development.

In 2005, the VBDO decided to include responsible supply chain management as a focal area in its core activities. By addressing the topic using a benchmark and actively promoting it in the media, the VBDO expects responsible supply chain management to increasingly get the attention it deserves.

The first Responsible Supply Chain Management Benchmark (2005) was developed in order to gain insight into the (potential) consequences of production shifting to emerging markets. The financial advantages of shifting production activities to emerging markets are obvious. The correlating socio-economic and environmental disadvantages were less clear (or taken for granted). The first benchmark methodology demonstrated the pitfalls and challenges facing companies purchasing raw materials and products from these countries. Examples are the potential violation of employment standards by suppliers and the ensuing environmental risks.

The original benchmark focused on company responsibility. The methodology was assessed and adjusted in 2008. The new benchmark took these responsibilities and transferred them to a framework of risk and reputation management, or in other words, the prevention of loss of value. Preventing the loss of value remains an important aspect of responsible supply chain management. That is why the original method has been incorporated in the new methodology, with some minor adjustments to the indicators.

The other aspect is the creation of value. For the VBDO, the creation of value comes much closer to the definition of what a company is: a legal entity geared towards creating value for its environment. Approaching responsible supply chain management as a means to create value simplified the possibility to expand the methodology in 2008 in two ways. Firstly, adding the creation of value has led to being able to chart the opportunities of responsible supply chain management. Secondly, this approach has made it possible for downstream activities to be benchmarked as well, since the restrictions of responsibility do not apply when supply chain management is perceived as an opportunity. This does not mean, however, that responsibility is left out of the equation. Both elements are complementary and essential.

The VBDO bases the Responsible Supply Chain Benchmark on international standards and consulted a number of experts in the field during the drafting process. When adjusting the methodology, the same sources were used to guide the process.

In 2010, the criteria changed again, focusing more on the impact of responsible supply chain management. This change was made to further deepen the attention to responsible supply chain management. Moreover, the change makes the Responsible Supply Chain Benchmark complementary to the Transparency Benchmark, which was also changed in 2010 and now includes a number of supply chain indicators. Since the results of the Transparency Benchmark will be made publicly available in the beginning of 2011, stakeholders will have access all relevant information of companies. Practically, this means that indicators focusing on overall CSR transparency have been awarded fewer points. Because a responsible supply chain policy needs to be built upon a strong internal CSR policy, we did not omit these criteria from the benchmark. In addition, criteria were added in the policy and management sections to gain insight into the impact of responsible supply chain management.

The benchmark study has resulted in a company ranking, showing frontrunners and companies that lag behind. The list is one of the project's important results. Moreover, the benchmark is a tool of engagement. This means

that the VBDO uses the results to systematically engage companies and emphasize their duty in terms of Corporate Responsibility within the supply chain. Moreover, institutional investors can use the ranking to determine which companies can be seen more as a sustainable investment.

The next section explains the basic principles and demarcation of the benchmark. The research includes 40 companies from different sector. They all operate in a different reality and deal with different issues in the supply chain. The benchmark methodology does not differentiate between sectors. In response to the preliminary results of the benchmark some companies reacted that they thought the indicators were applicable to their specific situation. The VBDO decided to keep the current methodology as it was. We will take these suggestions into account when re-evaluating the benchmark criteria.

5.2. Basic principles and demarcation

5.2.1. Basic principles

The basic principles of the benchmark are:

- It has to be simple and practical. This provides companies with quick and easy insight into their own performance;
- It has a top-down approach. This is in accordance with the GRI guidelines and in the interest of the VBDO. Investors are primarily interested in the overall vision and performance of a company;
- The underlying methodology is fully transparent and publicly available;
- It enjoys public support. The VBDO gained this support by involving a variety of stakeholders in the design of the benchmarking method;
- It is based on internationally recognized norms and standards;
- The indicators are based on the assumption that absolute shortage is a problem that will only become more important in the future.

5.2.2. Demarcation

The benchmark has the following demarcation:

- The investigation concentrates on Dutch listed corporations with a physical production supply chain. The group of investigated companies is included as appendix 1;
- A simplified supply chain model is used;
- The benchmark is a generic model, therefore highly adaptable to all companies of the investigated group;
- In carrying out the benchmark, the VBDO only uses publicly available information provided by companies themselves. This includes sustainability reports, financial reports and company websites.

5.3. Benchmark indicators

This paragraph provides a comprehensive overview of the benchmark methodology used. How the methodology is itemized is shown in appendix 2. The benchmark methodology uses the distinction between leadership and management as stated in a quote by Peter Drucker:

‘Management is doing things right, leadership is doing the right things’

A Governance and Vision

- 1 Board of Directors’ responsibilities
- 2 Trends and challenges
- 3 Involvement of stakeholders
- 4 Strategy
- 5 Core standards of a company

B Policy

- 6 Policy and management systems for suppliers
- 7 Defining supplier policy (indirect suppliers)
- 8 Content of the Supplier Code
- 9 Supervision method
- 10 Non-compliance policy
- 11 Identifying high-risk suppliers
- 12 Identifying critical suppliers

C Management

- *Management general*
 - 13 Product life cycle R&D
 - 14 Logistics
- *Management upstream*
 - 15 Verification of supplier supervision
 - 16 Competence of the supervising persons/institutions
 - 17 Supervising results
 - 18 Action on non-compliant suppliers
 - 19 Educating suppliers
 - 20 Education coverage
 - 21 Communication between company and suppliers
 - 22 Monitoring results
- *Management, midstream/company level*
 - 23 Educating purchasers
 - 24 Cooperation agreements
- *Management downstream*
 - 25 Product life cycle; sales attuned to emerging markets (BOP)
 - 26 Product life cycle; recycling
 - 27 Responsible marketing
 - 28 Monitoring results

5.4. Qualitative and quantitative assessment

Using the 28 indicators of this research, the VBDO analysed the Sustainability Reports and other relevant publicly available company sources. Points were given for fully (2 points), partly (1 point) and not (0 points) meeting an indicator, the classification of which is shown in the appendix. The maximum attainable number of points per company is 57, which is also expressed in a percentage. Listing company performance as a percentage makes it possible to compare a company's performance over a period of time, even when some indicators are added or attainable points adjusted.

A qualitative analysis was also made. These short passages provide insight into the most important plus and minus points concerning the responsible supply chain management of any given company. These analyses also provide the company with suggestions for improvement.

5.5. The role of the jury and the Award

The 'winner' will receive the VBDO Responsible Supply Chain Award. By handing out this award, VBDO wants to raise awareness within publicly listed companies, reward good policy and urge lagging companies to improve performance. The VBDO will nominate the top performing companies. An independent jury will choose the winner of the Award. The jury considers not only to the benchmark results, but also to a company's progress and any outstanding initiatives.

Chapter 6 Company Performance

Before going into detail on the quantitative and qualitative score per company, paragraph 6.1 discusses some general conclusions. Paragraph 6.2 contains a table with an overview of scores for the investigated companies. The percentage scores of 2009 are included to indicate changes compared to last year. Paragraph 6.3 contains the qualitative analysis per company. These analyses contain some highlights of the company's policies and activities and some recommendations for improvements. These company profiles are not exhaustive but provide a general overview to explain the progress made over the past year.

The composition of the group of investigated companies has changed. A number of companies are no longer included in the research report. These are Eriks-group, Océ, Smit International and Super de Boer, because they are no longer publicly listed. The following companies have been added to the report: Accell, Crown Van Gelder, Gamma Holding and Telegraaf Media Groep.

6.1. General conclusions

Looking at the results, it is good to see that the average percentage increased from 32% to 35%. The highest score improved again and also a few companies lower in the ranks greatly improved. The results show that the changes in the benchmark did not significantly influence the assessment of companies.

On a less positive note, some companies performed worse compared to last year. This is mainly due to limited reporting on the quantitative results of supply chain management. Since policies are still in place, the VBDO assumes this is just a choice in reporting rather than a change in activities. Transparency remains an important driver for the VBDO; the benchmark is only based on verifiable publicly available information, leading to a lower score than necessary in some cases.

Also, the majority of companies still scores below 55%. This clearly shows there is still a lot of room for improvement. In this report the qualitative analyses of the companies are included. We advise companies to take a look at the frontrunners to see what policies they have implemented. The aim of this report is to provide companies suggestions for improvement on their responsible supply chain management policies and practices.

In addition, it is a good sign that the Dutch Sustainable Trading Initiative was launched in October 2008 and that the SER (Social Economic Council) is taking the matter seriously in its recent advisory reports. This can also help companies to improve their responsible supply chain management. The VBDO hopes to cooperate with these institutions to further perform the activities on responsible supply chain management. In addition, VBDO will continue to put this topic on the agenda during its engagement activities.

6.2. Score per company

	Company	Governance and vision	Policy	Management	Total	% 2010	% 2009	
1.	Philips	5	17	31	53	93%	90%	↑
2.	Unilever	5	17	27	49	86%	79%	↑
3.	AkzoNobel	5	13	28	46	81%	87%	↓
4.	DSM	5	13	25	43	75%	73%	↑
5.	Reed Elsevier	4	15	22	41	72%	75%	↓
5.	Ahold	5	14	22	41	72%	60%	↑↑
5.	ASML	3	13	25	41	72%	60%	↑↑
8.	Crown Van Gelder	5	13	18	36	63%	-	-
9.	Air France-KLM	5	10	20	35	61%	58%	↑
10.	Shell	5	9	17	31	54%	58%	↓
11.	BAM	5	9	15	29	51%	42%	↑
12.	KPN	5	6	16	27	47%	38%	↑
12.	Heineken	5	6	16	27	47%	54%	↓
14.	Wavin	4	7	15	26	46%	6%	↑↑
15.	Nutreco	5	6	14	25	44%	37%	↑
16.	Wolters Kluwer	2	8	14	24	42%	48%	↓
17.	Heijmans	5	3	13	21	37%	37%	-
18.	TNT	5	3	12	20	35%	40%	↓
19.	SBM Offshore	1	9	8	18	32%	37%	↓
20.	TomTom	2	8	7	17	30%	35%	↓
21.	Crucell	5	3	6	14	25%	8%	↑↑
21.	Accell Groep	2	8	4	14	25%	-	-
23.	Ballast Nedam	2	1	10	13	23%	19%	↑
24.	Wessanen	4	3	5	12	21%	56%	↓
25.	Macintosh Retail Group	2	5	4	11	19%	15%	↑
26.	Sligro Food Group	3	3	4	10	18%	12%	↑
27.	CSM	5	2	2	9	16%	13%	↑
27.	Imtech	1	1	7	9	16%	4%	↑
27.	Vopak	2	3	4	9	16%	19%	↓
27.	Fugro	2	5	2	9	16%	8%	↑
27.	Mediq	2	2	5	9	16%	12%	↑
32.	Draka	4	0	4	8	14%	10%	↑
33.	Ten Cate	2	1	4	7	12%	15%	↓
34.	Boskalis	1	0	3	4	7%	8%	↓
34.	AMG	0	0	4	4	7%	4%	↑
34.	Telegraaf Media Groep	1	1	2	4	7%	-	-
37.	Aalberts	1	0	2	3	5%	0%	↑
37.	ASMI	1	0	2	3	5%	2%	↑
39.	Gamma Holding	0	0	2	2	4%	-	-
40.	Pharming	0	0	0	0	0%	0%	-

6.3. Qualitative analysis

AALBERTS INDUSTRIES

Governance and vision - 1/5

In its annual report, Aalberts states it 'strives to be viewed by its customers, shareholders and employees as an entrepreneurial, innovative and reliable organisation; one which is making a sustainable contribution to society'. This view is communicated to its employees.

Policy - 0/17

In the information the annual report provides on sustainable entrepreneurship, environmental care and safety, and human resources there is no mention of activities towards suppliers or customers.

Management - 2/35

As environmental care forms a direct component of day-to-day operations, Aalberts Industries has formulated environmental principles and objectives as a guideline for its employees. These address reduction of materials and natural resources and recycling.

Total score: 3/57

ACCELL GROUP

Governance and vision - 2/5

In its annual report, Accell Group states that the company is actively responding to the important sustainable and current global trends and developments. Accell Group is responding to these sustainability trends by providing products with a recognisable and distinctive added value. Innovations are geared primarily towards contributing to a change in behaviour in the field of mobility and a healthier lifestyle. And this involves more than just product innovation.

It is not clear whether the company has a structured CSR policy, how activities are organised, or whether sustainability values are shared within the company.

Policy - 8/17

On its website, Accell Group indicates it selects suppliers based on strict requirements. Integrity and responsibility are important for Accell Group, also with respect to all parties involved in the production and sourcing process. The Accell Group requirements are recorded in a code of conduct for suppliers, which is available online. The requirements concern subjects such as a ban on child labour, involuntary labour and discrimination, safety requirements, environmental requirements and working conditions. Quality controllers and buyers working for Accell Group supervise on location at the suppliers' sites to ensure that all agreements are effectively fulfilled. There is no information on a non-compliance policy or the identification of risk or critical suppliers

Management - 4/35

Accell does not address more sustainable production or the reduction of emissions in the supply chain. Neither is information included on the number of suppliers supervised, the compliance rate, or the education of suppliers on sustainability issues. Purchasers are included in the execution of the supplier policy. There are no activities for the downstream supply chain.

Total score: 14/57

AHOLD

Governance and vision - 5/5

Within the corporate executive board, Mr Hijmans van den Bergh is responsible for Corporate Responsibility. The Ahold CR policy is based on four pillars, resulting from a trend analysis. These pillars are integrated in all activities of the company.

Policy - 14/17

In its CR report, Ahold states that all their suppliers are required to sign the standards of engagement, which outline CR-related requirements. It is unclear whether this also applies to indirect suppliers. These standards follow ILO conventions and set clear minimum standards on issues such as working conditions, limited environmental aspects are included. Moreover, the 'Standards of Engagement also require all suppliers in high-risk countries to commit to the Business Social Compliance Initiative (BSCI) or an equivalent program.' On the BSCI website it is clear how suppliers are monitored. According to the Ahold CR report, the definition of high-risk countries is based on definitions in the United Nations Human Development Index and the ILO Economic Security Index.

Management - 22/35

One of the aims of Ahold sustainable trade is buying close to home as this reduces the logistic costs. There is, however, no quantitative information available on this topic. Ahold is included in the carbon disclosure project and no information is given on scope 3.

Through its commitment to BSCI, Ahold ensures all high-risk suppliers are compliant with the code and are audited by a third party every 3 years. The CR report states 'many suppliers in high-risk countries fail to achieve good results in the first audit. We continue to work with these suppliers if they can demonstrate that they do not have non-compliance issues in areas we find unacceptable (such as child labour) and that they are committed to continuous improvement. We work with the BSCI to raise awareness among our suppliers of compliance issues. The BSCI trainers help to clarify that customer requirements, including those of Ahold, follow legal requirements. In addition, the BSCI organizes roundtables to engage all local stakeholders, including government, on improving working conditions'. The report does not include more information on non-compliance or measures that have been taken. Moreover, the report states that high-risk suppliers have to comply with the BSCI, but it is unclear what percentage of suppliers is considered high-risk.

Ahold reports on the number of fair trade articles in its assortment, in line with the sustainable trade goal to source responsibly.

It is unclear how Ahold educates purchasers to follow its sustainability standards.

Ahold addresses the different recycling initiatives from the different operating companies and reports quantitatively on waste. Also, Ahold addresses sustainability in its marketing activities. Ahold does not attune its products towards emerging markets.

Total score: 41/57

AIR FRANCE-KLM

Governance and vision - 5/5

The Air France KLM CSR report states that CSR is guaranteed at the highest level within both airlines: for Air France, at Executive Vice President, member of Executive Committee, level, and for KLM at the Board level.

Every year, the sector's CSR risks and issues are added to the Group's strategic plan, which sets out the strategy for the following three years. The company bases its CSR policy on stakeholder engagement activities.

Policy - 10/17

The CSR report explains that Air France-KLM uses a supplier management system to ensure transparency and consistency in its approach and dealings with suppliers. Suppliers are chosen based on a registration questionnaire, which lists sustainability risks including environmental licenses, location of production sites, compliance with the Air France-KLM supplier charter. As such, Air France-KLM has a system in place to identify high-risk suppliers. The supplier charter is available online. The charter states that Air France - KLM asks suppliers to promote the principles of the charter among its own partners and suppliers. The charter does not include clear a environment management monitoring system for suppliers.

The CSR report states that auditing suppliers and processes for safety and quality are already part of daily requirements for Air France-KLM. In 2010, the goal is to enlarge the scope of auditing processes to include social and environmental aspects in order to monitor and manage non-compliance. The auditing method or non-compliance policy is not available.

Management - 20/35

The CSR report states that by taking into account the (direct and indirect) environmental impact of products and services, Air France-KLM considers the best purchase to be one whose total cost of ownership is lowest over the entire lifecycle. For example, lighter seats and on-board equipment, while meeting other comfort and reliability criteria, help to lower fuel consumption and simultaneously reduce CO₂ emissions.

Air France-KLM cooperates with suppliers on sustainability to share knowledge. It is unclear what percentage of suppliers is covered by these educational activities.

The registration system the company has in place helps procurement officials to select suppliers.

The supply chain activities of Air France-KLM focus on the downstream. The company has a recycling policy and reports quantitatively on progress. It recognizes the potential of emerging markets and actively engages in responsible marketing. The company has formulated downstream KPIs and is showing progress.

Total score: 35/57

AKZONOBEL

Governance and vision - 5/5

AkzoNobel has integrated sustainability in its overall strategy. It has based the strategy on a trend analysis and remuneration is linked to sustainability performance. AkzoNobel has a sustainability council, reporting to the board of management and also including representatives from the board of management.

Policy - 13/17

AkzoNobel ensures that suppliers endorse the environmental and social standards as formulated in the Code of Conduct by asking them to sign a Vendor Compliance Letter. This is available on the website of AkzoNobel. It is not clear that this also applies to second-tier suppliers.

The website explains further that a vendor checklist is used to find strengths and weaknesses in all sustainability areas. Using a feedback report and follow-up visits, AkzoNobel works together with its suppliers on improvement

of their sustainability. On its website AkzoNobel makes clear how many critical suppliers received a supportive supplier visit and what the results of these visits were.

In its supplier policy, AkzoNobel focuses on 200 strategic suppliers that have been included in the support visit. It is not made explicit that AkzoNobel also focuses on high-risk (non strategic) suppliers. However, the company did set a target for Non Product Related suppliers to also sign the Vendor Policy.

Management - 28/35

AkzoNobel tries to restructure production processes in a sustainable manner. The company also focuses on the emissions in the supply chain and tries to positively alter the effects. This year is the first year AkzoNobel publishes information on the cradle-to-cradle footprint.

The AkzoNobel website indicates that it provides information on the progress on supportive supplier visits (SSV). This information is from 2008. In 2009, 185 SSVs have been made. There is no up-to-date information on non-compliance incidents or resulting activities.

On its website, AkzoNobel states 'as a next step, we have started a Key Supplier Management Program where we cooperate with suppliers to enhance Eco-premium Solutions for our customers. In the key supplier meetings we are looking for a mutual understanding'.

The annual report states in relation to educating purchaser on sustainability 'to date, we have trained more than 300 purchasers in Strategic Sourcing Methodology and Negotiations & Influencing (...). In 2009, we trained the Procurement Council - the business and corporate Sourcing leaders - on supplier relationship management.'

AkzoNobel focuses on sustainable solutions for emerging markets and a number of products are partly made from recycled products and AkzoNobel has a waste management system in place. Lastly, the company has formulated sustainability KPIs related to the downstream supply chain, showing improvement.

Total score: 46/57

AMG

Governance and vision - 0/5

In its annual report, AMG includes some sustainability information reported along GRI indicators. The information focuses on labour and environment. It is unclear whether the company has a sustainability policy.

Policy - 0/17

The company does not have a clear policy on responsible supply chain management.

Management - 4/35

AMG develops innovative metallurgical solutions for the following four markets focused on the reduction of CO₂ emissions: Solar, Recycling, Fuel Efficiency and Nuclear. As such the company works to create sustainable solutions and is actively involved in recycling. It does not become clear whether the company is actively promoting sustainable products towards its customer.

Total score: 4/57

ASM INTERNATIONAL

Governance and vision - 1/5

ASM International does not publish information on sustainability in the annual report. During the last AGM, the CEO presented how ASM International approaches Global Sustainability. This is mainly focused on health and safety. ASM International uses KPIs, mainly focused on reducing the number of incidents per fte. There is no clear CSR or sustainability policy, but ASM International is moving forward. It does have a Code of Ethics.

Policy - 0/17

The Code of Ethics guides sustainability within the company. This is not yet communicated to suppliers. In 2010, ASM International will install a global procurement organisation. This organisation will draft a charter that states that suppliers need to be actively made aware of the Code of Ethics. The organisation will also address the possibility to check compliance with the Code. With all these activities planned, the VBDO expects better results in 2011.

Management - 2/35

In 2009, ASM International focused on the extension of the recycling and reducing of hazardous waste and a number of energy saving efforts. During the AGM it was announced that in 2010 ASM International would start a global environmental programme. Results of these promises will become clear in 2011.

Total score: 3/57

ASML

Governance and vision - 3/5

The sustainability report states that in 2009 ASML appointed a new worldwide Sustainability coordinator who reports to the Sustainability Board, which is chaired by ASML's Chief Operating Officer. This officer is a member of the Board of Management. ASML engages with different stakeholder groups and has a code of conduct. The company has not done a sustainability trend analysis to formulate its strategy.

Policy - 13/17

In 2009, ASML focused on value sourcing for sustainable supply chains. Also, the company used the Risk Assessment to provide ASML with insight into the supply chain on the following issues: Corporate Social Responsibility (including Labour Issues and Human Rights), Long-term Material Availability, Technology Capability and alignment with ASML's Roadmap, Technology Availability, Business Continuity (including financial stability) and the Performance of the Second Tier Suppliers.

The report provides insight in the monitoring method and non-compliance policy. It also indicates ASML identifies both high-risk (non-product related) and critical suppliers.

Management - 25/35

ASML invests continuously in optimizing the production process to minimize the environmental impact. In addition, the sustainability report states that logistics is not included in ASML's CO₂ official footprint, but it is clear that the company has a responsibility to be efficient in logistics efforts. The company focuses on reducing travel altogether.

ASML has identified 349 critical suppliers, of these are 48 identified as high-risk suppliers (product and non-product related). These suppliers are included in the monitoring activities. The sustainability report lists infor-

mation on audits, results, policies regarding non-compliance and the number of suppliers that have signed the code of conduct. There have been no incidents of non-compliance in 2009.

ASML purchasers cooperate closely with suppliers to improve their sustainability, it is not clear with what percentage of suppliers ASML cooperates and shares knowledge. It is also not clear what percentage of suppliers is included in the value sourcing policy.

ASML does not provide information on how the purchase department is included in the execution of the sustainability supply chain policy.

ASML focuses on recycling hazardous and non-hazardous waste. The sustainability report states that ASML plans to recycle 90% of non-hazardous waste by 2015 (2009: 52%) by introducing improved recycling systems and re-designed packaging. The aim is to recycle as much hazardous waste as possible, but where this is not possible due to small volumes, ASML will process it in a controlled manner through special high-temperature incineration with energy conversion. Larger volume categories of hazardous waste offer the opportunity of recycling, which ASML has taken and will continue to take. In 2009, ASML recycled 79% of hazardous waste, and the target is to recycle 80% by 2015.

ASML sits on the executive board of Point One, a platform created by the Netherlands Ministry of Economic Affairs, which enables an exchange of knowledge between large Original Equipment Manufacturers (OEMs) and the supply industry. The company has sustainable KPIs on upstream and downstream activities showing improvements.

Total score: 41/57

BALLAST NEDAM

Governance and vision - 2/5

Sustainability is one of Ballast Nedam's core values. In the annual report the company states: 'For our customers, clients and ourselves, we always seek environmentally sound and energy-efficient solutions. We translate our entrepreneurship into innovative and sustainable solutions. We are aware of our responsibilities for the environment and respect people and organizations in our surroundings.' Other than this Ballast Nedam does not set out a clear sustainability strategy based on a trend analysis. Ballast Nedam did organize a purchasing day in 2009, where sustainability issues were discussed.

Policy - 1/17

In terms of the policies directed at suppliers, the annual report states that Ballast Nedam drafted a list of firm supplier selection criteria, which will be refined in 2010. The report also makes clear that 'safety and sustainability are important points for attention in this endeavour'. There is no additional information on supplier or monitoring policies.

Management - 10/35

Ballast Nedam is developing sustainable solutions that minimize the environmental impact and is increasing the number of suppliers who maintain and submit annual CO₂ emissions measurements. The annual report does not provide quantitative information. It is not clear whether Ballast Nedam checks sustainability issues with suppliers, but there is common understanding on sustainability between the company and the suppliers. Also, Ballast Nedam developed a KPI on upstream supply chain management, refining criteria. VBDO suggests the company uses the items listed under criterion 8.

Ballast Nedam cooperates within the sector on sustainability issues. Recycling is an important topic for Ballast Nedam. The company has a clear policy and reports qualitatively and quantitatively. Also, the company is actively promoting sustainable solutions to customers. There are no KPIs on downstream supply chain activities.

Total score: 13/57

BAM GROEP

Governance and vision - 5/5

BAM has determined the material sustainability issues for the business partly in dialogue with its stakeholders. In 2010 BAM held its first multi-stakeholder dialogue and actively engaged with its top 100 suppliers. The board of management in cooperation with the director corporate social responsibility holds the responsibility for the sustainability policy.

Policy - 9/17

The BAM Business Principles are an integral part of the General Purchase and Subcontract Conditions with suppliers in the Netherlands. These conditions also apply to second tier suppliers. The Business Principles address 1) clients, 2) the community, 3) employees, 4) the environment, 5) energy and resources, 6) business integrity and 7) innovation. The GPSC include environmental aspects. Some, but not all, social aspects are covered by the business principles.

The sustainability report or website does not include information on monitoring and policies addressing non-compliance. According to the benchmark these are essential parts of a sustainable supply chain policy.

Within sustainable procurement BAM focuses initially on category 1 suppliers, which are most critical to the business.

Management - 15/35

BAM promotes good practices with respect to recycling and waste minimization.

Where possible they will use alternative materials and methods to optimize the use of resources in collaboration with clients and suppliers. Moreover, BAM reports on scope 3 CO₂ emissions and will encourage subcontractors to report data on safety, CO₂ emissions and waste.

BAM cooperates with suppliers on sustainability issues, also sharing knowledge. This is not done yet done in a structural way, and it is unclear which percentage of suppliers is covered.

BAM has upstream supply chain qualitative sustainability KPIs, indicating improvement, but no downstream ones.

BAM focuses on raising awareness internally with regard to sustainable procurement. The BAM Business School offers two procurement-training courses that focus specifically on the theme of the sustainable procurement.

Total score: 29/57

BOSKALIS WESTMINSTER

Governance and vision - 1/5

In 2010, Boskalis Westminster published its first CSR report. The CSR report was created under the auspices of the Board of Management. A multidisciplinary CSR team compiled it with representatives from head office and the home markets. The report does not give insight in how CSR is embedded in the organization. It is not clear whether the company did a trend analysis and to what extent it engages with stakeholders.

Policy - 0/17

The CSR report states that in 2009 Boskalis Westminster made an initial estimate of the number of suppliers and they want to introduce criteria for enhanced supplier selection. The company therefore believes it is their responsibility to subject subcontractors and suppliers to certain CSR criteria. This will be further outlined in 2010.

Management - 3/35

The value chain is a focal area for Boskalis Westminster. It specifically looks at the sustainable solutions the company can bring as a supplier of integrated maritime services. The downstream activities are therefore further developed than the upstream of midstream activities.

Total score: 4/57

CROWN VAN GELDER

Governance and vision - 5/5

Crown Van Gelder (CVG) publishes information on sustainability in the annual report and publishes a sustainability report biannually. The last sustainability report was published for 2008. Sustainability is integrated in the business strategy; the company has clear sustainability principles and recognizes business opportunities. The sustainability report states that the Management Team is responsible for the QHSE management system, data quality and accuracy, and continuous improvements. They look upon the Sustainability Report as a formal management review of the QHSE management system, given that it provides a complete overview of the annual performance. The sustainability report includes a list of stakeholders and the way in which the company engages with them.

Policy - 12/17

For its paper, CVG sources 100% from certified suppliers. In addition the sustainability report states that CVG subscribes to the Universal Declaration of Human Rights and the International Labour Organization (ILO) treaties, including the ban on child labour. Through its supply chain, CVG almost only operates in western countries. However, as the company sources around a quarter of its key raw material, i.e. chemical bleached pulp, from non-western countries, CVG explains in the sustainability report how human rights are protected in terms of the supply of this material. The certification guidelines include human rights, labour and environmental issues. There is no explicit mention to social policy aspects. It is implied that the policies apply to indirect suppliers, but this is not mentioned explicitly.

Certification implies that suppliers are monitored. It is not clear whether non-compliance results in stratified plan of action. The policy is clearly focused on critical suppliers, there is no explicit attention to high-risk suppliers.

Management - 18/35

CVG focuses on more sustainable products that minimize environmental impact. The annual report includes emissions of company cars, emissions in the supply chain are not explicitly addressed.

CVG uses certified suppliers for pulp and paper. Supervision of these suppliers is organised by the certification organisation. There is no information on the results of these supervisions or actions taken related to non-compliance.

CVG cooperates with suppliers on sustainability issues. It is not clear if this happens with all suppliers or if these educational activities happen on a structural basis.

CVG looks at the recyclability of its products, it is also looking at its own waste recycling. In addition the company provides sustainable products for its customers, and actively promotes these. There are a number of downstream KPIs showing progress.

Total score: 35/57

CRUCCELL**Governance and vision - 5/5**

Crucell has further developed its CSR strategy, which focuses on People, Planet, Profit and Philanthropy. The annual report provides information on qualitative and quantitative KPIs and targets are set. Responsible supply chain is one of the areas of attention. The CEO takes overall ownership of CSR.

Policy - 3/17

Suppliers are required to comply with the Crucell Code of Conduct, which is available online. The Code addresses a variety of attention areas but not the ones included in this benchmark. Non-compliance and monitoring policies will follow in 2011.

In the process of improving the responsible supply chain, an in-depth analysis of Crucell's global spending patterns was conducted, using an automated tool for data collection and analysis. This provided an overview of all Crucell's suppliers, together with the costs, volumes and categories of goods and services purchased worldwide. It also highlighted opportunities for improvements, over and above those achieved in the first phase of our operational excellence program.

Management - 6/35

Crucell has set targets to reduce the CO₂ footprint and to improve the responsible supply chain management.

At the moment, there is no information on compliance with the Code of Conduct.

Crucell develops vaccines especially for infectious diseases present in developing countries. As such, the sales of the products are attuned to emerging markets and the company is also looking into ways to ensure these vaccines reach those that need it most.

Part of the new strategy is looking into recycling possibilities.

Total score: 14/57

CSM

Governance and vision - 5/5

The sustainability report states 'the Board of Management has overall responsibility for sustainability issues.' CSM clearly identifies trends, which have been translated into the business strategy. CSM states the core values of the company are partnership, performance and passion. These are clearly communicated towards employees.

Policy -2/17

Last year, CSM introduced the Sustainability Wheel, created by the Sustainability Working Group. With this tool, CSM started to push sustainability in procurement and quality assurance control. This tool was used to identify sustainability issues related to raw materials and suppliers. In this years report there is no information included on the Sustainability Wheel or its results.

Instead, the sustainability report states in general terms that CSM is stating that suppliers are held to certain standards. And in response to questions the VBDO asked during the AGM the company stated that 'as far as the Code of Conduct is concerned, CSM works with suppliers who share the same principles as CSM. This is measured by audits and surveys that address the same elements as the Code of Conduct'. The CSM Code of Conduct adheres to local legislation and the OECD guidelines for multinational corporations.

The VBDO would like to see more information on supplier and monitoring policies, as well as on identification of high-risk and critical suppliers.

Management - 2/35

On logistics, the sustainability report states 'measuring the full picture of transportation is complicated. In 2009 we started to take the first steps to an approach, but results are not being expected before 2011'.

For packaging, CSM is reducing packaging and focusing on recyclable materials. CSM took various initiatives to reduce the amount of cardboard outers for industrial customers. The efforts to reduce packaging material consumption will be continued. CSM will further move towards more environmentally friendly materials (recyclable, biodegradable). The company expects to set a target based on a feasibility study.

There is no information provided on the monitoring of or communication with suppliers.

Total score: 9/57

DRAKA

Governance and vision - 4/5

Draka bases its sustainability agenda on four overriding themes. Draka engages with different stakeholders, also in the supply chain and recognizes the business opportunities related to sustainability. It is unclear who is responsible for corporate social responsibility within the company.

Policy - 0/17

Draka has a Code of Conduct for employees. It is not clear whether suppliers are also encouraged to adhere to the Code or whether compliance is monitored.

Management - 4/35

On the website, Draka states that as well as optimising the use of materials, the company is also developing



and introducing processes which use less energy, such techniques that enable cross-linking of materials at ambient temperature instead of 75°C.

The company reports on its own emissions but does not include logistic or transport related emissions. In addition, the company does not report on its activities with suppliers on sustainability.

The annual report states that in terms of material efficiency, several projects are in process and resulted for example in over 40% of reuse of customer spools in the optical fibre supply chain and 1.75% (or 2 million kilos) reduction of raw material consumption in Energy & Infrastructure.

Total score: 8/57

DSM

Governance and vision - 5/5

DSM has integrated sustainability in its overall strategy. It has based the strategy on a trend analysis and remuneration is linked to sustainability performance. The sustainability report states: 'sustainability has the attention of the entire Managing Board, with Feike Sijbesma, Chairman of the Managing Board, as the primary focal point. Sustainability at DSM is organized in a network supported by the Corporate Sustainability Department, which reports directly to the Chairman'.

Policy - 13/17

DSM has a clear supplier policy, based on the code of conduct. It is not clear whether this policy applies to indirect suppliers.

There is a clear 3-step monitoring method using a self-assessment questionnaire and audit tool. The supplier selection for audits and the questionnaires are based on risk and size of the supplier. A size/risk matrix with clear criteria (size of spend, country, cluster/category type, security of supply and specific business risks) is used to identify suppliers with a moderate or high-risk position. Critical and high-risk suppliers are taken together in this matrix. Even though the policy is clear, the matrix itself is not publicly available, nor does DSM give information on the number of suppliers that are identified as high-risk or critical suppliers.

Management -25/35

The sustainability report states 'for the downstream segments, our strategy is to provide solutions that enable our customers and their customers (and ultimately the consumer) to improve their eco-footprint. Upstream, we achieve improvements by requiring our suppliers to meet our sustainability standards and to minimize their eco-footprint'. In 2010, DSM will start looking at ways to improve the overall footprint in the value chain.

The sustainability report states that 91% of the total spent was covered by the supplier code of conduct, 51 supplier self-assessments have been carried out and 22 audits were performed. No contract had to be terminated on grounds of non-compliance with the supplier Code of Conduct. It is not clear whether that means that there were no instances of non-compliance or whether these were only minor.

The audit tool DSM uses reveals areas of non-conformity, enabling DSM to define actions, problem owners and deadlines to get non-conformities resolved quickly via a jointly defined improvement program. Within the program DSM provides the suppliers with assistance or, if needed, training to achieve the desired level of compliance. It is unclear what percentage of suppliers (spending) is covered by these trainings.

The DSM website states that 'purchasing takes full responsibility for implementing and continuously improving

a sustainable procurement policy for DSM to optimize the environmental, economic and social impacts of its purchasing and consumption decisions on the long term’.

DSM has a strategy for emerging economies, which innovate and explore opportunities presented by the BoP. On this issue, is DSM a frontrunner. These activities show clearly the company’s social responsibility combined with a focus on business opportunities sustainability offers. DSM is developing a recycling policy, and focusing on cradle-to-cradle solutions.

DSM has formulated and has shown progress on upstream sustainability KPIs but has not formulated downstream sustainability KPIs.

Total score: 43/57

FUGRO

Governance and vision - 2/5

Fugro addresses corporate social responsibility in the annual report. According to the section sustainability, transparency and reliability are the key themes of Fugro’s central policy. The section lists a number of activities related to corporate social responsibility. However, a central policy is missing and it remains unclear how the different activities are related. It would be interesting to see how the CSR activities contribute to the company mission and strategy.

Fugro does mention sustainable business opportunities; a growing demand for energy is partly offset by the use of alternative energy sources such as solar, wind, biofuels, tidal and nuclear energy. This presents Fugro with opportunities in new markets.

Fugro has General Business Principles that guide all its activities.

Policy - 5/17

Since 2009, Fugro has instituted the Business Partner Code, which requires suppliers and subcontractors to comply with the Fugro General Business Principles. Both the General Business Principles and the Business Partner Code are publicly available. The latter addresses social issues related to human rights, labour rights and social policy.

It is not clear how Fugro monitors its suppliers’ compliance or whether the company identifies high-risk or critical suppliers

Management -2/35

Fugro develops sustainable solutions that minimize the impact on the environment. It is not clear whether Fugro actively offers these solutions to its customers or whether these are demand driven activities.

Fugro requires suppliers to comply with the Business Partner Code, but is not clear whether all suppliers are compliant or how the purchase department is integrated in the execution of the policy.

Fugro does not provide information on downstream supply chain activities.

Total score: 9/57

GAMMA HOLDING

Governance and vision - 0/5

The starting point for the Gamma Holding policy on corporate social responsibility is that the companies of Gamma Holding should make a positive contribution to the societies in which they operate. There is no more specific CSR policy.

Policy - 0/17

There is no explicit responsible supplier policy.

Management - 2/35

The annual report provides some information on the environmental activities of Gamma Holding. It states that areas of particular attention include recycling, air and water purification, energy efficiency and minimising the use of harmful chemicals and CO₂ emissions.

In 2009, various activities were again undertaken within the business units in the field of environmental protection. These include initiatives to make production cleaner and/or more efficient and products to help customers contribute to a more sustainable living environment.

There is no more additional information on responsible supply chain management. In this respect, Gamma Holding has many things to do.

Total score: 2/57

HEIJMANS

Governance and vision - 5/5

Heijmans has determined the material sustainability issues for the business partly in dialogue with its stakeholders. At the Executive Committee level, Ton Hillen (Executive Director of Project Development and Non-residential Building) is portfolio holder for sustainability. A steering group has been formed within the Executive Committee, consisting of Ton Hillen, Gerrit Witzel and Bert van der Els. This ensures that sustainability is embedded at the highest level

Policy - 3/17

Suppliers are expected to comply with the standards set out in the starting points, as formulated in the Heijmans Code of Conduct. This Code of Conduct is available online. The sustainability report states that 'in 2009, special criteria were added as a new element during the revision of Heijmans' procurement conditions (in principle applicable to all procurement, framework and project contracts). These concern matters such as the exclusion of child labour, exploitation and discrimination. These criteria are linked to the criteria of the International Labour Organization (ILO). Further to this, the possibilities of recording other social aspects such as reasonable working times, a safe workplace and a liveable wage are also being looked into.'

The sustainability report or website does not include information on monitoring and policies addressing non-compliance. Neither does Heijmans make explicit whether it has identified high risk or critical suppliers. According to the benchmark these are essential parts of a sustainable supply chain policy.

Management - 13/35

Heijmans recognizes the possibilities to achieve greater sustainability through more efficient logistics. However, the opportunities are currently subject to further review. Heijmans does report on scope 2 CO₂ emissions.

The sustainability report states that Heijmans 'strives to limit the adverse environmental impact in the chain insofar as possible and make a positive contribution to the environment and communities in which it operates. Heijmans wants to achieve this by working together with suppliers and sub-contractors that take a proactive and innovative approach to supplying products and services that are environmentally friendly and socially responsible.' This indicates that there is a sharing of knowledge between Heijmans and suppliers on sustainability, but this is not done yet done in a structural way, and it is unclear which percentage of suppliers is covered.

There is no information on supplier supervision, Heijmans has asked suppliers to agree to the Code of Conduct, but it is unclear what percentage of suppliers has done so.

Heijmans has only formulated qualitative upstream sustainability objectives.

Recycling and responsible marketing are part of the sustainability activities of Heijmans, the company does not focus on emerging markets.

Total score: 21/57

HEINEKEN**Governance and vision - 5/5**

The Heineken website states on the topic of governance that it has a global governance of the sustainability agenda covering all disciplines and geographies. The sustainability agenda is centrally led by a multidisciplinary Executive level Steering Committee at head office, comprising different group directors. This Steering Committee operates under the responsibility of the Executive Committee. The Heineken sustainability policy is based on seven focal areas, resulting from a trend analysis. These areas are integrated in all activities of the company.

Policy - 6/17

Heineken has a supplier code, which is implemented in Western Europe. The roll out in Asia, the Americas and Africa has started and should be finalized in 2010. The code is available online, it addresses business conduct, human rights and environment. The sustainability report does not provide information on the monitoring method or the identification of high-risk or critical suppliers. VBDO would like to get insight in how Heineken responds to non-compliance with the code. This policy should contain a stratified plan of action.

Management - 16/35

The Heineken sustainability report provides information on examples of distribution footprint reviews. The 10-year ambition includes carbon reduction throughout the value chain. We are looking forward to those results. In the current report, there is no quantitative data given on this item.

The sustainability report states 'we increased the number of supply audits from 58 to 61, including checks on Genetically Modified Organism (GMO)'. It is unclear what this percentage related to, or who carries out these audits. There is no quantitative information on the implications of the implementation of the supplier code. Therefore, it remains unclear what percentage of suppliers agrees to the code. Heineken cooperates with suppliers on sustainability issues, but it is unclear what the impact of these programs is. Heineken does include

responsible supply chain as one of the focal areas, however there are no quantitative KPIs set.

Heineken addresses its possible impact on developing markets in its new sustainability approach. Responsible marketing is an important aspect of the Heineken sustainability strategy and the company addresses recycling both qualitative and quantitative.

Total score: 27/57

IMTECH

Governance and vision - 1/5

Imtech addresses corporate social responsibility in the annual report. The company states that they take the subject seriously, not only in the different project they take part in but also within the business.

Policy - 1/17

Imtech addresses the role the company play within the supply chain. It states that in order to reach CSR targets, it is essential to cooperate with other actors in the supply chain. In 2008, Imtech developed a Code of Supply based on the carbon footprint of the suppliers. Thus far more than 50 suppliers have signed the code. There is no information on the checking of compliance or assistance to suppliers

Management - 7/35

Imtech is actively involved in a number of 'green projects', that contribute to the eco efficiency of its services and that minimize the impact on the environment. Also, the company collects information on the carbon footprint of suppliers. There is no quantitative information provided.

The annual report does not provide information on whether Imtech checks compliance with the Code of Supply or how it engages with suppliers.

The annual report states that Imtech does everything possible to separate and recycle waste in order to create new raw materials and works with reputable waste services providers. No quantitative data was given.

Total score: 9/57

KPN

Governance and vision - 5/5

KPN defined three focal areas based on larger societal trends. CSR is a component of KPN's corporate strategy. KPN has made a link between CSR and the remuneration awarded to senior management. The Management Board member with responsibility for CSR is evaluated on the basis of the quality of the reporting on this subject. KPN actively engages with stakeholders.

Policy - 6/17

KPN has a supplier code, which includes criteria on human rights, labour issues and environmental aspects. The code also addresses data and privacy. The code encourages suppliers to implement it towards their suppliers and it is stated that KPN and suppliers will evaluate this Code and seek actively for ways to improve it, both on

its content and in expanding compliancy to second tier suppliers.

KPN will use the supplier code focusing on supplier groups where the risk to 'people', 'planet' or 'profit' is relatively high. In 2009, KPN performed a risk analysis to identify the suppliers where social norms, including human rights and the ban on child labour, could be at issue. In 2010, KPN will ask these suppliers to sign the code and to cooperate in an audit performed by an outside party. The monitoring method and non-compliance policy are not yet in place, as they are the next step in controlling the high-risk suppliers. Also the method of identifying high-risk suppliers remains vague.

Management - 16/35

KPN is focusing on making its activities more energy efficient. Also, the company reports on scope 3 emissions, focused on business travel.

In the 2009, 82 suppliers in the Netherlands signed the code of conduct, it is not clear what percentage of the overall supplier base this is. An external party did two audits and in one case production was shifted to another factory because of a violation of the rights of labour at the original manufacturing site.

In 2009, KPN organized a stakeholder dialogue focusing on suppliers and the supplier code. It is not clear what percentage of suppliers was included in this dialogue.

KPN has formulated sustainability KPIs related to the upstream and downstream supply chain.

KPN has set up a Sustainable Procurement Program Steering Committee that formulates policy and reports to the CPO. The policy is then submitted to the CSR Steering Committee for approval and, as and when needed, to the Management Board. The various business unit managers are responsible for policy implementation within their own business unit. This is a process still in progress.

One of the challenges KPN identified is the recycling of mobile phones. In 2009, the company started a recycling program. Results of this program will be shown in 2010. In addition, buyers are made aware of sustainable use of KPN products and services.

Total score: 27/57

MACINTOSH RETAIL GROUP

Governance and vision - 2/5

Macintosh defined its goals with respect to sustainable entrepreneurship in the retail sector at the end of 2009. This resulted in the CRIATE project. The project is run by five 'green leaders' from the Macintosh organisation who are responsible for its execution and who report directly to the Managing Board on its progress. Environment and supply chain is one of the objectives of the CRIATE project. It is not clear whether the company has done a trend analysis or engages with stakeholders.

Policy - 5/17

The website states that sustainability is an integral part of the purchasing process. Macintosh Retail Group has supplier sustainability requirements in place and prefers to work with suppliers and parties acting in the spirit of these requirements, which are laid down in a supplier code. Failure to comply with these requirements on a number of key points will result in the termination of the relationship between Macintosh Retail Group and the supplier. Combating child labour, in particular, is an issue repeatedly being addressed when reviewing the relationship with a supplier. To this end, group companies are making maximum use of specialist organisations

such as BSCI (Business Social Compliance Initiative) and Care & Fair, which have developed mechanisms to assess the activities of suppliers in faraway countries.

The supplier code is not available online. Also, it is not clear whether the company has a system in place to identify high-risk and critical suppliers.

Management - 4/35

Macintosh Retail Group is looking into ways to make the production process more sustainable and to minimize its environmental effect. The annual report does not provide information on reducing supply chain or transport emissions.

The report does not provide information on monitoring results, or the percentage of suppliers covered by the supplier code. Neither is information included on educating suppliers.

One of the operating companies of Macintosh Retail introduced the first recyclable shoe. Recycling is also on the agenda of other operating companies. The report does not make clear whether the company has a group wide recycling policy neither does it give quantitative information.

Macintosh Retail has not formulated sustainable KPIs focusing on the supply chain.

Total score: 11/57

MEDIQ

Governance and vision - 2/5

The annual report starts with a number of trends Mediq recognises that will affect the business, both positively and negatively. The trend that addresses corporate social responsibility and will also influence the business is the aging population. Mediq has a company code, 'Mediq, the essence'.

Policy - 2/17

The annual report states that Mediq drew up a code of conduct for suppliers of medical supplies to ensure they comply with their own standards and values, as documented in the company code 'Mediq, the essence', and universal human rights. The suppliers have been informed accordingly. There is no information on a non-compliance policy.

Management - 5/35

Mediq has evaluated the transport activities and has made transport much more efficient, resulting in a large decrease in CO₂ emissions.

It is not clear whether all suppliers have accepted the code of conduct for suppliers and if all suppliers are compliant. Also, currently the code applies to suppliers of medical supplies, and not to all suppliers. This is additional information the VBDO is looking for.

The information on CSR in the annual report evolves around quality, environment and social responsibility. Mediq actively tries to reduce packing materials. Also, the pharmacies collect old pharmaceuticals.

Total score: 9/57

NUTRECO

Governance and vision - 5/5

The Nutreco sustainability strategy is based on a trend analysis. Nutreco organizes a large seminar every other year where it engages with stakeholders on these issues. The sustainability report states the progress towards embedding sustainability into the business model of Nutreco benefited from developments at board level in Nutreco. Following the appointment of new members to the Supervisory Board, an Innovation and Sustainability Committee was formed.

Policy - 6/17

Nutreco controls its suppliers through the Nutrace system. The Nutrace system manages risks, especially on quality and safety. From the report it is however unclear whether this system contains sustainability issues. Further on the report does mention that sustainability is an issue discussed with suppliers. Nutreco will not accept forced labour and child labour, poor health and safety standards in processing plants and inadequate feed-to-food safety controls. There is no information on a non-compliance policy.

Management - 14/35

Nutreco is actively investing in optimizing the production process and redesigning consumption patterns in a way that minimizes environmental effects. Reducing emissions in the supply chain is included in the new sustainability program.

The Nutrace information is subject to internal audits. The sustainability report does not include information on the results of audits. Nutreco cooperates with suppliers on sustainability. It is not clear what percentage of suppliers is included in these activities. Nutreco has formulated KPIs in relation to the Nutrace system. The Nutrace system assists purchasers to select suppliers.

Nutreco is actively involved in sector initiatives focusing on sustainability. It has rolled out a number of recycling initiatives and is incorporating sustainability in its activities towards customers.

Total score: 25/57

PHARMING

Governance and vision - 0/5

Pharming addresses corporate social responsibility in the annual report. In this part of the annual report, Pharming discusses issues concerning employees and animal welfare. Issues concerning the supply chain and relation with supplies are not addressed.

Policy - 0/17

Pharming does not have a policy concerning suppliers.

Management - 0/35

There is no information on responsible supply chain activities.

Total score: 0/57

PHILIPS

Governance and vision - 5/5

Sustainability is integrated in Philips' business strategy, making it the board's responsibility. The strategy is based on a trend analysis and addresses both the mitigation of risk as well as the capturing of business opportunities.

Policy - 17/17

Philips has defined General Business Principles that guide activities with all stakeholders. Also the company has a supplier sustainability program built on five pillars. In the report, the company states that it has set requirements, built understanding and agreement, and monitors identified risk suppliers through (third-party) audits. Moreover the company is part of the EICC, to improve the sustainability of suppliers in the electronics sector. Philips has a transparent monitoring method and a non-compliance policy.

The Philips supplier sustainability declaration states that as part of the EICC participants shall also require its next tier suppliers to acknowledge and implement the code.

The annual report explains that to focus its efforts, Philips developed an approach based on a risk profile related to spend, country of production, business risk and type of supplier relationship. Where risk is identified the company conducts awareness training with suppliers to prepare for third-party audits. This includes high-risk and critical suppliers. It is not clear how many suppliers are labelled as risk suppliers.

Management - 31/35

Through the EcoVision programs, Philips tries to optimize the production processes as to minimize the environmental impact. In addition to this, Philips selected 10 pilot products whose components are being analyzed to assess CO₂ emissions throughout the supply chain. The goal is to identify large sources of emissions and implement abatement measures with our suppliers. In 2009, Philips also focused on logistics and decreased its CO₂ emissions on logistics with 14%.

Philips conducted a total of 858 supplier sustainability audits to identify and solve issues in 2009. It is not clear what percentage of high-risk suppliers is covered by the audits. The report gives extensive information on audits and results, as well as actions related to cases of non-compliance.

Philips cooperates with suppliers to improve sustainability. No specific information on coverage is given.

Philips has sustainability KPIs both in the upstream and downstream supply chain, showing improvement.

Philips does not only focus its responsible supply chain activities on the upstream side. They are also active in designing products for emerging markets. Philips has an active recycling policy and reports quantitatively on its results. In the EcoVision 5 program, one of the targets is to 'double global collection and recycling amounts and recycled materials in products in 2015 compared to 2009.'

Total score: 53/57

REED ELSEVIER

Governance and vision - 4/5

The corporate responsibility report states that constant engagement with stakeholders helps Reed Elsevier to determine material corporate responsibility issues. In addition Reed Elsevier has identified material issues and contributes to global trends through the information they publish. It is unclear whether they made a trend analysis of what major trends exist and how Reed Elsevier can affect some of them. Reed Elsevier 'Corporate Responsibility Forum sets comprehensive CR objectives and measures performance against them. It is chaired by the CEO, who has Board responsibility for CR, and involves individuals representing all key business functions and divisions.'

Policy - 15/17

Reed Elsevier has a supplier code, which helps suppliers spread best practice through their own supply chain by requiring subcontractors to enter into a written commitment that they will uphold the Reed Elsevier Supplier Code.

Reed Elsevier identifies suppliers as being high risk 'according to criteria encompassing the Corporate Executive Board's Global Country Analysis Support Tool, human trafficking data from the US State Department, and the Environmental Performance Index produced by Yale University and Columbia University.' There is no explicit identification system for critical suppliers.

Reed Elsevier has a Socially Responsible Supplier Programme. The SRS programme terms of reference stipulate that internal and external audits be performed on a regular basis (suppliers with repeat code violations are subject to annual external audits).

Management - 22/35

The report includes information on scope 3 emissions. Furthermore it states that in 2009, Reed Elsevier conducted a supply chain heat mapping exercise of key suppliers in the Socially Responsible Suppliers programme. This provided estimated emissions of 1,188 megatonnes of CO₂, which is vastly higher than their own direct gross emissions. The most significant element of total emissions, therefore, comes from the supply chain. Guidance on GHG Protocol Scope 3 is still being developed, but Reed Elsevier expects to improve and refine reporting in this area.'

In 2009, the number of suppliers in the SRS Programme increased to 589. Of these suppliers, 101 are considered high-risk. 50% of the suppliers in the programme signed the Code of Conduct, since 2 years every new supplier is required to sign the Code. It remains unclear what percentage of all suppliers is included in the Programme. In 2009, Reed Elsevier conducted 39 independent external audits of high-risk suppliers through specialist auditors ITS, and a further 12 internal audits, which is 50% of the high-risk suppliers. The report lists the non-compliance areas and gives examples of how non-compliance issues were resolved.

Reed Elsevier educates suppliers on sustainability issues on a structural basis; it is unclear what percentage of suppliers was covered with the activities in 2009. Reed Elsevier has set targets and has shown improvements on upstream supply chain activities.

The purchasing department is involved in the set up and roll out of the SRS programme. It is not clear whether the purchasers are trained to make own decisions or whether they use the SRS database to select appropriate suppliers.

On the downstream supply chain Reed Elsevier set a target to increase access for underserved users, aimed at emerging markets. Also, the company has recycling policies and reports quantitative data on this topic, and has set a target for 2015. There are no marketing activities connected to sustainability.

Total score: 41/57

SBM OFFSHORE

Governance and vision - 1/5

SBM Offshore published a CSR report. SBM offshore has a Code of Conduct since 2007. The CSR strategy is not based on a trend analysis or stakeholder consultation. It is unclear how CSR is embedded in the organisation.

Policy - 9/17

Information on how SBM Offshore deals with suppliers is limited. The CSR report states that the company does not tolerate child or forced labour and does not support or work with companies that sustain forced or compulsory labour. However, the company conducts activities in Myanmar. The CSR report states that this requires continuous and transparent auditing of the Company's suppliers and sub suppliers in that country. So there are some standards in place and monitoring happens on a limited scale. The company has identified high-risk suppliers in a specific country.

Management - 8/35

SBM Offshore is pursuing several initiatives to leverage its in-house expertise to develop large-scale systems that respond to the need for energy demand in an environmentally sustainable manner. The company does not provide information on emissions in the supply chain.

The activities in Myanmar require continuous and transparent auditing of the company's suppliers and sub-suppliers in that country. There is no information given on the results of these audit activities. The CSR report states that SBM Offshore cooperates with suppliers to jointly improve social and environmental performance. There is no information on the percentage of suppliers that is included in these activities or whether activities happen on a structural basis.

The company does not provide information on the education of purchasers. It is offering sustainable solutions to customers and has recycling activities in part of its business. There are no sales especially focused on emerging markets. There are no clear sustainable supply chain oriented KPIs.

Total score: 18/57

SHELL

Governance and vision - 5/5

Management responsibility for sustainable development rests with Shell's Chief Executive. The sustainability strategy is based on a trend analysis and is discussed with stakeholders. The General Business Principles are in place since 1976 and guide business conduct for employees.

Policy - 9/17

The sustainability report states that Shell's major contracts include requirements to follow the business principles, code of conduct and HSSE standards. These are available online and include social and environmental aspects. The report makes clear there is a monitoring method and a non-compliance policy. It is not made explicit whether Shell identifies high-risk or critical suppliers or if similar standards are expected from indirect suppliers.

Management - 17/35

Shell is working to improve energy efficiency and reduce greenhouse gas emissions at all its operations and in 2009, its upstream businesses improved in energy efficiency. Also Shell continues to research and develop tech-

nologies that increase efficiency and reduce emissions in hydrocarbon production.

Shell's sustainability report states that in 2009, it cancelled 25 contracts because of failures to adhere to its business principles. During the year, the company conducted 32 audits of certain suppliers to assess their compliance with key sustainability criteria, including working conditions. It remains unclear what percentage of suppliers and subcontractors is covered by audits.

Shell trains contractors and suppliers where needed to help them comply with our standards and requirements and better understand our safety rules. It is not clear whether this is structural training and what percentage of suppliers is covered.

Shell does not specifically attune its sales to emerging markets. Shell addresses recycling in a number of activities. There is not quantitative information given. Shell helps customers use less fuel by offering more advanced, cleaner products and encouraging more economical driving.

Shell has formulated sustainable environmental KPIs both on upstream and downstream activities.

Total score: 31/57

SLIGRO FOOD GROUP

Governance and vision - 3/5

Sligro Food Group has a CSR working group, chaired by the CEO. In addition Sligro tries to align its CSR strategy to general trends. The social report discusses a variety of trends, but it is not clear how this comes together in a comprehensive strategy.

Policy - 3/17

Sligro Food Group joined the BSCI to guide and monitor suppliers. This has not formalized yet but it provides an initial idea of the supplier policy.

Management - 4/35

Sligro Food Group has made investments in its operations to minimize the effect on the environment. Also, the company has implemented several initiatives to optimize the logistics of the supply chain. However, no quantitative information is given.

There are a few specific food groups where the company cooperates with suppliers on sustainability such as fish. Other than that Sligro Food Group does not monitor suppliers or report on non-compliance issues.

Total score: 10/57

TENCATE

Governance and vision - 2/5

On sustainability, the annual report states that it is the foundation and reflection of TenCate's pursuit of continuity. The products and systems make a major contribution to a better world in which themes such as safety, protection and sustainability have become a matter of course. The associated trends include personal safety, protection of the living environment, limitation of energy consumption and CO₂ emissions, water management and environmental care. It is an important task for TenCate to formulate answers to these trends, propose so-

lutions and thereby drive developments. It keeps the company alert in striking an optimum balance between quality and environmental policy. That is TenCate's sustainability-based policy. It is not clear whether if TenCate has someone specifically responsible for sustainability, engages with stakeholders and whether sustainability is included in the corporate culture.

Policy - 1/17

In the production process, TenCate focuses attention on responsible handling of raw materials, reject reduction, waste reduction and recycling. Almost all production sites have been established or certified in accordance with ISO 9001 and/or ISO 14001 standards. Environmental legislation and environmental protection form the foundations. They are the basis for dealings with suppliers, as well as customers. There is no supplier code, monitoring method or compliance policy.

Management - 4/35

The annual report does not provide information on the downstream supply chain activities. TenCate does see sustainability as part of their competitive advantage and continues to invest in sustainable solutions. Transportation is set up in the most effective way and logistical lines to the market are short. TenCate sees the potential for reuse and recycling, but the report does not provide specific information.

Total score: 7/57

TELEGRAAF MEDIA GROEP

Governance and vision - 1/5

The annual report and the website provide information on sustainability. It is stated that in 2009 Telegraaf Media Groep (TMG) took the first steps towards a careful and transparent corporate responsibility policy. TMG began by defining its carbon footprint and potential measures that will both reduce CO₂ emissions and lead to cost-savings. On the basis of this analysis, a decision was taken at year-end 2009 to formulate a corporate responsibility vision in 2010, to develop a number of options for sustainable cost-savings in more detail and to draw up a detailed definition of the carbon footprint. Since the sustainability policy is still in development there are very little points awarded.

Policy - 1/17

On the website TMG states that in the near future, the company aims to include the level of sustainability in procurement criteria for goods, in addition to economic criteria and the required product specifications. Although there are no formal guidelines for this as yet, the Corporate Procurement department does take sustainability into account in its decisions and in its role as an advisor of the business units. The VBDO is looking forward to the implementation of these sustainable procurement criteria.

Management - 2/35

As part of the development of the sustainability policy, Telegraaf Media Groep addresses the areas where impact is largest. Printing newspapers and magazines is a TMG activity with a relatively large environmental impact, both indirectly, through the consumption of energy, water and timber in the production of paper, and directly, through the consumption of energy, water, ink and paper in the printing process. TMG wishes to treat this with care and, within the limits of its financial possibilities, to minimise the direct and indirect environmental impact of its printing operations. In addition to printing media, the transportation and distribution of newspapers also has an environmental impact. TMG has the ambition to reduce this impact.

Total score: 4/57

TNT

Governance and vision - 5/5

TNT has integrated the CR and Financial report. All information is available online. The CR strategy is integrated in the overall strategy. TNT engages with its stakeholders. The CR council advises and assists the Board of Management to deploy the CR strategy, to provide guidance on the CR direction, issues and opportunities and to integrate CR in the daily operations.

Policy - 3/17

The annual report explains that the CR strategy is being executed in two phases. Phase 1 execution is focusing on CR performance on owned operations and Phase II will focus on CR performance in TNT's subcontracted operations. The decision to have a phased approach is based on the lack of reliable data and the limitations to set standards for subcontractors. In 2009, TNT invested in the efficient gathering of reliable data for its owned operations. During 2010 TNT will focus on securing accurate and reliable data for its subcontracted operations and will set priorities for these operations in 2011.

While phase II is rolled out, TNT works with its subcontractors in a proactive and innovative manner to deliver products and services, and encourages them to conduct their services in an environmentally-friendly and socially-responsible way. A distinction is made between subcontractors and suppliers. Subcontractors are providers of transport and logistic services. Suppliers are providers of services and materials, and other matters excluding transport and logistic services. TNT expects all its subcontractors to act in a sustainable and responsible manner in accordance with all prevailing local and international legislation, and in accordance with the provisions of the TNT Business Principles. TNT is committed to managing its operations in a way that complies with all relevant sustainability legislation and standards. The precise requirements are not made explicit.

TNT does not have a non-compliance method or identifies high-risk or critical subcontractors/suppliers.

Management - 12/35

TNT has rolled out ways to optimize the business as to minimize the effect on the environment. Also, it reports on scope 3 CO₂ emissions and has indicated that in Phase II of the CR strategy it will look into the CO₂ effects in the supply chain.

The GRI table given indicates that screening on suppliers on Human Rights issues has been carried out. The number/percentage of suppliers or subcontractors supervised is not made explicit, neither are the results shared.

The annual report states TNT encourages subcontractors and suppliers to conduct their services in an environmentally-friendly and socially-responsible way, it is not clear what percentage has taken on this encouragement. The supply chain activities of TNT focus on the downstream. The company focuses on the environmental impact of its operations and reports quantitatively on progress. It recognizes the potential of emerging markets and actively engages in responsible marketing. The company has formulated downstream KPIs and is showing progress.

Total score: 20/57

TOMTOM

Governance and vision - 2/5

TomTom addresses corporate social responsibility in the annual report. Responsibility within the supply chain is one of the focal points of the company. Alain De Taeye takes responsibility for CSR in TomTom at Management Board level.

Policy - 8/17

TomTom has an ethical trading code of practice, which is at the core of the procurement process and remains embedded in the vendor selection process. The ethical trading code is available online and addresses both social and environmental aspects.

The report does not provide information on the monitoring method of suppliers or the assistance of suppliers to comply with the ethical trading code. Also, there is no information on how to deal with non-compliance. This seems very essential for TomTom since they rely on a limited number of suppliers for the larger part of their procurement. VBDO hopes to get more information on these issues in the near future.

Management - 7/35

TomTom designs products that have a positive impact on the reduction of CO₂ emissions from vehicles and continues to implement measures to reduce the environmental impact of our products throughout their life cycles. TomTom does not report on its own CO₂ emissions.

The TomTom Ethical Trading Code of Practice is at the core of the procurement processes and is embedded in the vendor selection process, with the assurance department ensuring supplier compliance. TomTom does not publish any information on the outcome of the assuring process or instances of non-compliance.

TomTom does not have sustainable KPIs focusing on the supply chain.

TomTom has an active recycling policy. The company is developing products with a high rate of recyclable components, there is no quantitative information given on the number of sold products taken back.

Total score: 17/57

UNILEVER**Governance and vision - 5/5**

A member of the Unilever Executive, Vindi Banga, leads sustainability and corporate responsibility within Unilever. The vision of Unilever on sustainability is based on global trends. This is translated in three focus areas, health and well-being, sustainable living and economic impacts.

Policy - 17/17

Unilever published a revised Supplier Code that specifies the responsible sourcing requirements on the key areas of health and safety at work, business ethics, labour standards, consumer safety and the environment. Unilever indicates that the revision also seeks to extend the sphere of influence of the Code by requiring direct suppliers to ensure that their direct suppliers also adhere to its principles.

Unilever communicates the Code to their direct suppliers and request assurance that management systems are in place to ensure compliance with its principles. There is a monitoring method in place, and a non-compliance strategy containing a stratified action plan.

The Supplier Code is applicable to all suppliers. Unilever does not explicitly mention high-risk or critical suppliers, but does address suppliers of critical commodities, such as palm oil suppliers.

Management - 27/35

Unilever addresses supply chain emissions and the logistics part of the supply chain. Scope 3 reporting is included in the carbon disclosure project and initiatives are taken to 'find the most efficient ways to move raw materials and packaging to our factories and then transport finished goods to around 300 warehouses across Europe.'

Unilever states ‘we communicate the Code to our direct suppliers and request assurance that management systems are in place to ensure compliance with its principles. We may request further verification from suppliers in the form of self-assessments or site audits to identify if operational practices meet the Code’s requirements. Should they not do so, we then seek agreement with our suppliers to undertake the necessary actions to achieve compliance’. There is no quantitative data given on the number of audits or self-assessments. The sustainability overview gives an example of the course of action with a non-compliant palm oil supplier.

Unilever cooperates with suppliers on sustainability issues. There is no quantitative information given on how many suppliers received education. Unilever uses KPIs on the upstream supply chain, providing qualitative and quantitative data showing improvement.

It is unclear how the purchase department is involved in the implementation of the sustainability policy in the supply chain.

The downstream activities are well organized. Unilever addresses recycling, sales attuned to emerging market and responsible marketing. The company provides qualitative and quantitative data showing improvement.

Total score: 49/57

VOPAK

Governance and vision - 2/5

Vopak published a sustainability report over 2009. On sustainability it states that for Vopak, sustainability means generating added value for all stakeholders without any detrimental social or environmental impact. Vopak has transformed from a strategy primarily based on safety, health and the environment (SHE strategy) to a comprehensive sustainability strategy. The company is committed to minimizing the risk of physical harm and to reducing energy and water consumption and soil, air, and surface water pollution. Vopak is also convinced of the need to minimize any negative impact on communities living close to its operations while maximizing the positive impact wherever possible. The sustainability report also includes stakeholder activities on sustainability.

Policy - 3/17

The sustainability report states that Vopak endorses the principles of the International Labour Organization and the United Nations Universal Declaration of Human Rights. Vopak has incorporated these and other principles in its recently updated Code of Conduct, which is applicable to group companies, joint ventures and contractors working for these companies. It is not clear whether Vopak monitors compliance.

Management - 4/35

Vopak collaborates with customers and suppliers to maintain long-term partnerships and ensure continuous improvements in the approach to sustainability.

Also Vopak has participated in the carbon disclosure project and publishes CO₂ data for direct and indirect emissions. In addition, the company focuses on waste and the re-usability of waste and published qualitative and quantitative data.

There are still many points for improvement, especially in relation to the compliance of suppliers. However, as Vopak is mainly a provider of storage, it is more important the company first focuses on its own operations, which progresses very well.

Total score: 9/57

WOLTERS KLUWER

Governance and vision - 2/5

The sustainable entrepreneurship report makes clear that the Wolters Kluwer Company Values and Business Principles, together with the Human Rights Policy and Environmental Policy, provide the core framework that guides the conduct of all Wolters Kluwer employees. The Senior Vice President Human Resources, under the sponsorship of the CEO and Chairman, has the key responsibility for Sustainable Entrepreneurship. The policy is not clearly based on trend analysis or active stakeholder engagement.

Policy - 8/17

The sustainable entrepreneurship report states that Wolters Kluwer developed its Human Rights and Supplier policy in 2007. This policy was created to ensure that human rights are upheld in all business dealings. It is guided by the articles of the United Nations Universal Declaration of Human Rights and the eight core labor standards of the International Labor Organization. In 2009, the company continued implementation and awareness building about our policies for all employees. From the report, it becomes clear that Wolters Kluwer has a monitoring method and a non-compliance policy using a stratified approach. The report does not make explicit whether Wolters Kluwer identifies high-risk or critical suppliers.

Management - 14/35

Wolters Kluwer reports on emissions due to business travel. There is no clear policy to improve indirect CO₂ emissions.

The sustainable entrepreneurship report provides quantitative information on the supervision of suppliers. It is made clear that of the Wolters Kluwer business units, 81% actively monitor high-risk suppliers (compared to 49% in 2008), 72% apply internal audits and 14% apply external audits (last year this was 32% and 16% respectively). Furthermore, 80% of the businesses make corrective plans and track performance, and 86% discontinue collaboration in the event of continued breaches. It is clear Wolters Kluwer cooperates with suppliers on sustainability, it is not clear whether these are structural activities and what percentage of suppliers is included. The company does not have upstream supply chain KPIs. It is unclear how Wolters Kluwer involves the purchasing department in implementing the supplier policy.

On the downstream activities Wolters Kluwer rolled out recycling activities and reports quantitative results. Also it engages customers in sustainability issues. The company has not rolled out activities specifically focused on emerging markets, nor are there quantitative downstream KPIs.

Total score: 24/57

WAVIN

Governance and vision - 4/5

In their first GRI report, Wavin indicates that 'climate change is a major issue for the economy and society in general. For Wavin, supplying systems and solutions for sustainable water management and surface heating and cooling, climate change is also an important business driver'. Moreover, the report makes clear Wavin engages with different stakeholders, and specifically with new suppliers on sustainability issues. The organization of sustainability within the company remains unclear.



Policy - 7/17

The GRI report states that ‘in 2009, Wavin introduced a new Code of Conduct which, among other things, excludes child and forced labour, as well as a Code of Conduct for all suppliers in order to ensure high, global procurement standards. Both documents can be downloaded our corporate website’. This code will be implemented in 2010. Then a monitoring method will also be implemented, which includes a self-assessment questionnaire and audits based on the size and risk of the suppliers. VBDO is looking forward to the further implementation and development of this system. In the annual report, Wavin explains that it takes geographic exposure into account in the risk analysis.

Management - 15/35

Wavin invests in redesigning the production process to optimize the use of materials and minimize the effect on the environment. The GRI report indicates that ‘from 2007 onwards Wavin started to measure the GHG emissions of its business travel. In absolute terms there is a clear downward trend of Wavin’s GHG emissions caused by external logistics and business travel. During 2009, a growing number of our operating companies implemented intelligent route planning and shipping applications. These enable them to maximise distribution efficiency, reducing journey times and fuel usage. For long haul shipments, Wavin also optimises load management using ‘nesting’ techniques where smaller pipe systems are packed inside larger ones. In 2009 the emissions in absolute terms reduced significantly compared to previous year, by 18%.’

It is unclear how many suppliers have already agreed to the new Code of Conduct. It is not clear whether there have been any self-assessments or audits done.

Wavin has a recycling policy and reports on the quantity of recycled products used. In 2009, it made a large investment in expanding the possibilities to use less virgin materials and use more recyclables. This aspect is a KPI and progress has been shown. Also, the company plays an important role on this issue in the sector.

Wavin does not attune its sales to emerging markets. However, the company has recognized the opportunities for the sale of sustainable products and product portfolio contains a strong environmental focus and helps clients to achieve sustainability targets.

Total score: 26/57

WESSANEN**Governance and vision - 4/5**

In 2009, Wessanen made drastic changes to its structure. It divested half of the group’s revenues and is now taking on the challenge to focus on the European organic food market. Wessanen sees organic food and sustainability as interdependent, thus making sustainability and integral part of the business.

However, Wessanen decided to not publish a separate sustainability report, and report on sustainability KPIs in a separate fact sheet. This information shows that Wessanen used a trend analysis to form a strategy, focusing on organic food. Wessanen has a company code, signed by almost 100% of the employees. Currently it is unclear whether Wessanen is actively engaged with different stakeholder groups.

Policy - 3/17

The annual report states that Wessanen works with suppliers and trade partners to enhance social, ethical and environmental performance within the supply chain. The choice for purely organic food products assumes stringent supplier controls. Information on policy on supplier activities is limited.

The sustainability fact sheet states:

‘We have identified our supply chain as a possible area of vulnerability in terms of sustainability. To combat this potential weakness, we are developing a system that will deliver independently audited certification of our sources and suppliers. Over the last few years, we have taken steps to create a framework of standards that brings our entire supply chain into alignment with our overall business principles. This goes beyond international regulation and legislation. Internationally recognised food standards combined with concrete measurable criteria regarding our business principles resulted in the Wessanen Supply Chain Audit Protocol (SCAP). The objective is to ensure that our suppliers conform with these common criteria and with our commitment to transparency and sustainability’. The standards or the SCAP are not publicly available.

Management - 5/35

Wessanen does not provide information on the implementation or the results of the Wessanen Supply Chain Audit Protocol.

The decision Wessanen made to shift to purely organic food can be seen as a way to change production and consumption patterns that use scarce resources. The production process is redesigned to have a more positive effect on the environment. Wessanen refers to the transport aspect of its supply chain and is making positive changes to improve CO₂ emissions related to outsourced transport. The sustainability fact sheet includes quantitative information.

On the downstream supply chain Wessanen reports on waste and recycling. The percentage of reuse is stated, but its policy is not further clarified. Other aspects of the downstream supply chain are not explicitly mentioned

Total score: 12/57

Appendix 1 Research Group

1.	Aalberts	AMX
2.	Accell Groep	Small cap
3.	Ahold	AEX
4.	Air France-KLM	AEX
5.	AkzoNobel	AEX
6.	AMG	AMX
7.	ASMI	AMX
8.	ASML	AEX
9.	Ballast Nedam	Small cap
10.	BAM	AEX
11.	Boskalis	AEX
12.	Crown Van Gelder	Small cap
13.	Crucell	AMX
14.	CSM	AMX
15.	Draka	AMX
16.	DSM	AEX
17.	Fugro	AEX
18.	Gamma Holding	Small cap
19.	Heijmans	AMX
20.	Heineken	AEX
21.	Imtech	AMX
22.	KPN	AEX
23.	Macintosh Retail Group	Small cap
24.	Mediq	AMX
25.	Nutreco	AMX
26.	Pharming	Small cap
27.	Philips	AEX
28.	Reed Elsevier	AEX
29.	SBM Offshore	AEX
30.	Shell	AEX
31.	Sligro Food Group	Small cap
32.	Telegraaf Media Groep	Small cap
33.	Ten Cate	AMX
34.	TNT	AEX
35.	TomTom	AEX
36.	Unilever	AEX
37.	Vopak	AMX
38.	Wavin	AMX
39.	Wessanen	AMX
40.	Wolters Kluwer	AEX

Appendix 2 Benchmark Criteria

A Governance and vision

1	Board of Directors' responsibilities	
	There is a formal member of the Executive Board or a high level commission bearing responsibility for sustainability or supply-chain related issues.	1
	There is no evidence of a formal member of the Executive Board or a high level commission bearing responsibility for sustainability or supply-chain related issues, either specifically or as part of the responsibilities pertaining to sustainability issues in general. Or, the company does not publish anything on the subject.	0
2	Trends and opportunities	
	The company has made a trend analysis. The analysis charts the main sustainability trends for the key markets on which the company operates and which therefore are paramount in determining the company's capacity to create value or prevent value from being lost. The trend analysis was made at supply chain and customer level, meaning that trends were analyzed that profoundly affect or may affect any or all of the links in the supply chain and with customers. The trend analysis is consequently not aimed only at the key markets.	1
	No trend analysis was made charting the trends for the key markets on which the company operates and which therefore are paramount in determining the company's capacity to create value.	0
3	Stakeholder engagement	
	The company actively engages with supply chain stakeholders. Key stakeholders have been identified and there exists an overview of the key issues per stakeholder. There is no doubt that the key issues are actively considered in the company strategy. The identified stakeholder groups accurately represent all parties who are involved in any of the company's supply chain activities.	1
	The company does not actively involve its stakeholders. It is not clear who the main stakeholders are. It is not known how the stakeholders' interests are promoted in the company strategy.	0
4	Strategy	
	The company incorporates the identified trends into its overall strategy. The company demonstrates how the challenges arising from the trends are transformed into opportunities for its stakeholders by means of an innovative company strategy. As does the trend analysis, the company strategy aims at the entire supply chain. The company acknowledges that each link in the supply chain represents challenges, which can result in opportunities.	1
	The identified trends are unknown. Consequently it is not known how any innovative company strategy might turn challenges into opportunities. Or the company recognizes trends, which are of influence, but fails to show how these trends may be turned into opportunities.	0
5	Company core values (corporate culture)	
	The company's core values are clear. These are the standards with which employees identify themselves and which they uphold.	1
	The company's core values are not clear.	0

8	Content of the Supplier Code	
	8d Environment Policy <ul style="list-style-type: none"> • A clear intention to continuously improve operations effecting the environment; • Self imposed obligation to apply internationally accepted environment standards relating to certain resources (wood, palm oil, fish etc.); • This listing is not sufficient. 	10
	8e Environment Management Monitoring System, covering <ul style="list-style-type: none"> • The consumption of scarce natural resources; • The consumption of energy and water; • Emissions concerning air and water; • Noise, smell and dust pollution; • Ground pollution; • The use of dangerous materials; • Waste production and recycling; • Product related issues (packaging, transport, recycling etc.); • Compliance with legislation, standards and codes. • This listing is not sufficient. 	10
	<p>There is no Supplier Code.</p> <p>Or: The company does not publish anything on this subject.</p>	0

9	Monitoring method	
	The company has a method to monitor suppliers on code compliance. The method is publicly available (e.g. published on websites and/or Sustainability Reports). Independent verification of the application of the method is part of the method.	2
	The company has a method to monitor suppliers on code compliance. The code is not publicly available.	1
	The company has no method of monitoring which supervises suppliers on code compliance. Or, the company does not supervise suppliers and/or it does not publish anything on this subject.	0

10	Non compliance policy	
	There is a publicly available policy that describes how to respond to non-compliance with the code. This policy contains a stratified plan of action. That is to say, the various measures taken for the various degrees of non-compliance and the cases in which the company decides to terminate a contract with its supplier(s). The company has a contact point where stakeholders can bring in complaints.	2
	The way(s) in which non-compliance is dealt with are reported. The report mentions details about the taken action(s), but does not indicate a stratified approach. Or no details are mentioned as to the used approach.	1
	There is no publicly available policy that describes how to respond to non-compliance with the code. Or, the company does not supervise suppliers and/or it does not publish anything on this subject.	0

11	Identifying high risk suppliers	
	There is a publicly available policy that describes how to respond to non-compliance with the code. This policy contains a stratified plan of action. That is to say, the various measures taken for the various degrees of non-compliance and the cases in which the company decides to terminate a contract with its supplier(s). The company has a contact point where stakeholders can bring in complaints.	2



11	The company carries out country analyses. The results of the risk analysis or the consultations with the stakeholders are not reported. The company does not use an impartial external organization for its execution in making its risk analysis.	1
	There is no proof that the company carries out country analyses. The company does not publish anything on the subject.	0

12	Identifying critical suppliers	
	The company has a comprehensive policy that identifies critical suppliers, which are suppliers that operate above a certain sum or suppliers that deliver essential parts of products and production processes. The company makes clear that these critical suppliers are actively involved in the sustainability activities.	2
	The company has a comprehensive policy that identifies critical suppliers, which are suppliers that operate above a certain sum or suppliers of an essential part of the product.	1
	There is no proof that the company carries out a supplier analysis. The company does not publish anything on the subject.	0

C Management

General

13	Product life cycle R&D	
	Continuous investments are being made in production and consumption patterns in such a way as to avoid or even eliminate the use of scarce commodities, including energy. The production process is (re)designed in a way that optimizes the use of materials for new products and minimizes its effect on the environment. The company gives practical examples of its alterations to the life cycle of its products.	2
	The company has the intention of making investments in present production and consumption patterns in such a way as to avoid or even eliminate the use of scarce commodities. The production process is as yet not (re)designed in a way that optimizes the use of materials for new products and minimizes their effect on the environment.	1
	The company does not make it clear that both production and consumption processes have been critically analysed with the intention of (re)designing them in a way that optimizes the use of materials for new products and minimizes their effect on the environment.	0

14	Logistics	
	The company provides qualitative and quantitative information on the environmental effect of the supply chain. The company uses short distribution channels and tries to minimize the distance between the production location and user market, using means of transport with lowest energy consumption. Act globally locally. Moreover, the company tries to minimize business related travel.	2
	The company tries to minimize business related travel. Qualitative and quantitative information is provided on the initiatives.	1
	There are no initiatives taken to limit the distribution channels or business related travel.	0

Upstream

15	Verification of supplier supervision	
	The company supervises all companies it has identified as high-risk suppliers. This is done to verify supplier compliance with the Supplier Code. Inspections are carried out no less than once every three years.	3
	The company supervises at least half of all companies it has identified as high-risk suppliers. This is done to verify supplier compliance with the Supplier Code. Inspections are carried out no less than once every three years.	2
	The company supervises less than half of all companies it has identified as high-risk suppliers. This is done to verify supplier compliance with the Supplier Code. Either that or the company states that it carries out inspections, but no percentages are given.	1
	The company does not supervise suppliers and/or it does not publish anything on this subject.	0

16	Competence of the supervising persons/institutions	
	One or more external, impartial supervising institutions carry out supervision. These institutions could be registry or certificate providing accounting firms or consulting agencies.	2
	The company itself carries out the supervision of internal management assessment and other objectives.	1
	No supervision is carried out or it does not publish anything on this subject.	0

17	Supervising results	
	The company clearly states the number or percentage of suppliers that did not pass supervision.	2
	The company gives examples of non-compliance by suppliers.	1
	The company does not supervise suppliers and/or it does not publish anything on this subject.	0

18	Transparency on action on non-compliant suppliers	
	The company states which measures have been taken with non-compliant suppliers	2
	The company gives examples of the measures that have been taken with non-compliant suppliers	1
	The company does not supervise suppliers and/or it does not publish anything on this subject.	0

19	Educating suppliers	
	Structured, adequately resourced, education concerning sustainability issues is continuously provided for high-risk supplier's management and/or personnel.	2
	Education concerning sustainability issues is provided for high-risk supplier's management and/or personnel, but on a random basis.	1
	No education concerning sustainability issues is provided for all supplier's management and/or personnel. Or the company does not publish anything on this subject.	0

20	Education coverage	
	Education is provided for at least 75% (no less than 75% of the company's total purchase value) of the suppliers over the last 3 years.	3
	Education is provided for less than 75%, but more than 25% (less than 75%, but more than 25% of the company's total purchase value) of the suppliers over the last 3 years.	2
	Education is provided for less than 25% (less than 25% of the company's total purchase value) of the suppliers over the last 3 years.	1
	Or: It is obvious that the company and its suppliers have a joint education program, but no percentages are given.	0
	The company does not publish anything on the subject.	

21	Communication between company and suppliers	
	More than 75% of the suppliers (more than 75% of the company's total purchase value) have stated their compliance with the Supplier Code.	3
	More than 50% of the suppliers (more than 50% and less than 75% of the company's total purchase value) have stated their compliance with the Supplier Code.	2
	Less than 50% of the suppliers (less than 50% of the company's total purchase value) have stated their compliance with the Supplier Code. Or, the company declares that it has asked its suppliers to sign the Supplier Code, but no percentages are given.	1 0
	The company does not publish anything on the subject.	

22	Monitoring results	
	The company has formulated KPIs related to the upstream supply chain, such as the items covered under item 8, and shows qualitative and quantitative data, indicating improvement.	2
	The company has formulated KPIs related to the upstream supply chain, such as the items covered under item 8.	1
	The company does not have KPIs related to the upstream supply chain.	0

Midstream/company level

	Educating purchasers	2
	The company supervises its suppliers on sustainability independently from its operational purchasing department. Purchasers are educated in the sustainability policy of the company. Purchasers are required to integrate evident sustainability criteria into their purchasing procedures and the selection of suppliers. Purchasers are aware of the supplier supervision policy regarding sustainability and are educated accordingly	1
	Purchasers can select a company from a list of approved suppliers (tested for sustainability issues) for the purchase of products and services.	0
	Purchasers are not educated in sustainability within the supply chain. Or, the company does not publish anything on this subject.	

24	Cooperation agreements	
	Within its sector, the company is an initiator in the development of strategic cooperation agreements for sustainable solutions within the entire supply chain.	2
	Within its sector, the company is a follower in the development of strategic cooperation agreements for sustainable solutions within the entire supply chain.	1
	The company does not take part in any initiatives that might promote sustainability within the supply chain. Or: the company does not publish anything on this subject.	0

Downstream

25	Product life cycle; sales attuned to emerging markets	
	The company recognizes the potential of emerging markets and has taken actions showing results in addressing this potential as part of the supply chain management. At the same time, the company recognizes the necessity to attune its products to the demands arising from those markets. The company is very specific in its publicly available sources as to examples of products, which it has attuned to the demands arising from emerging markets.	2
	The company recognizes the potential of emerging markets. The company has a plan to attune its products to the demands arising from those markets.	1
	The company does not attune its products to the demands arising from emerging markets or does not recognize emerging markets as potential opportunities.	0

26	Product life cycle; recycling	
	The company has a recycling policy that is being implemented. The company actively stimulates taking back products that have entered the end-of-life stage. The company is actively involved in sector-wide initiatives to draw up a recycling policy. The company provides quantitative data on the percentage of sold products, which actually have been taken back.	2
	The company has a recycling policy that is being implemented. The company actively stimulates taking back products that have entered the end-of-life stage. The company is actively involved in sector-wide initiatives to draw up a recycling policy. The company does not provide quantitative data on the percentage of sold products, which is actually been taken back. Or the company does state the percentage of reuse, but its policy is not further clarified.	1
	The company is not actively involved in any recycling policy.	0

27	Responsible marketing	
	The company actively steers its marketing towards sustainability. Buyers are made aware of the necessity of sustainable enterprise and consumption. The company makes it clear that this is a structural element in the marketing of its products, and underlines this with examples.	2
	The company actively steers its marketing towards sustainability. Buyers are made aware of the necessity of sustainable enterprise and consumption. The company does not make it clear that this is a structural element in its marketing.	1
	The company does not include any sustainability issues or elements in its communication policy.	0

28	Monitoring results	
	The company has formulated sustainability KPIs related to the downstream supply chain and shows qualitative and quantitative data, indicating improvement.	2
	The company has formulated sustainability KPIs related to the downstream supply chain.	1
	The company does not have KPIs related to the downstream supply chain.	0





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The VBDO (Dutch Association of Investors for Sustainable Development) aims at generating a sustainable capital market, a market that brings together supply and demand, not just based on financial criteria, but also on social and environmental aspects.

VBDO focuses its activities on actors in the Netherlands, within the international context.